

Message Text

CONFIDENTIAL

PAGE 01 STATE 162319
ORIGIN SS-15

INFO OCT-01 ISO-00 SSO-00 /016 R

66011

DRAFTED BY: UNA:BJSHARP

APPROVED BY: UNA:JFTEFFT

S/S-O:JETHYDEN

-----029889 130257Z /65

P 122331Z JUL 77

FM SECSTATE WASHDC

INFO USMISSION GENEVA PRIORITY 0000

C O N F I D E N T I A L STATE 162319

EXDIS FOR AMBASSADOR YOUNG

FOLLOWING REPEAT PRETORIA 3383 SENT ACTION SECSTATE INFO LUSAKA
LONDON, USUN 11 JUL 77

QUOTE C O N F I D E N T I A L PRETORIA 3383

EXDIS

FOR MOOSE (AF) AND MAYNES (IO) FROM FRANK

LUSAKA FOR AMBASSADOR LOW

LONDON FOR RAY SEITZ

E.O. 11652: GDS

TAGS: PINT, RH, US, UK

SUBJECT: THE ZIMBABWE DEVELOPMENT FUND AND THE RHODESIA
NEGOTIATIONS

REF: LONDON 11075

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 STATE 162319

1. MY TRIP TO LONDON, LUSAKA AND SALISBURY WAS USEFUL IN COMING
TO AN UNDERSTANDING AMONG THE BRITISH, OURSELVES AND THE SMITH
REGIME THAT THE ZIMBABWE DEVELOPMENT FUND COULD NOT BE USED TO
FINANCE DIRECTLY PENSIONS, LAND COMPENSATION, OR ASSET REMIT-
TANCES BY WHITE RHODESIANS. NOR CAN FUND ASSISTANCE BE MADE
EXPLICITLY CONDITIONAL ON FULFILLMENT OF INDEPENDENT ZIMBABWE
GOVERNMENT OBLIGATIONS TO PAY PENSIONS AND LAND COMPENSATION

OR TO PERMIT ASSET REMITTANCE. THE BEST, I THINK, THAT CAN BE EXPECTED FROM SMITH'S PERSPECTIVE IS THAT AVAILABILITY OF ZDF RESOURCES CAN HELP INDIRECTLY TO MAKE IT POSSIBLE FOR INDEPENDENT ZIMBABWE GOVERNMENT TO FINANCE PENSIONS, LAND RESETTLEMENT, HENCE ASSET REMITTANCES AND THAT FAILURE BY THE INDEPENDENT GOVERNMENT OF ZIMBABWE TO MEET CONSTITUTIONAL AND OTHER OBLIGATIONS WOULD BE A FACTOR, BUT NOT THE ONLY ONE, IN ANY ASSESSMENT BY THE ZDF OF THE LONG-RANGE DEVELOPMENT PROSPECTS OF ZIMBABWE AND HENCE THE LEVEL OF ECONOMIC ASSISTANCE THAT WOULD BE JUSTIFIED ON PURELY DEVELOPMENTAL GROUNDS. I WAS CONCERNED AT THE OUTSET OF MY TRIP, HOWEVER, THAT WE AND THE BRITISH MIGHT BE TAKING A DIFFERENT TACK.

2. ACCORDING TO JOHN GRAHAM OF THE UK FCO, MR. OWEN BELIEVES THAT HE HAS THE AGREEMENT OF SECRETARY VANCE THAT THE TRUSTEES OF THE ZDF WOULD FREEZE ALL ASSISTANCE IF THE INDEPENDENT GOVERNMENT OF ZIMBABWE DID NOT MEET PENSION OBLIGATIONS. THIS UNDERSTANDING, ACCORDING TO AMBASSADOR LOW, DERIVED FROM THE OWEN-VANCE MEETING JUNE 23 IN PARIS AT WHICH SENATOR RIBBICOFF ENDORSED THE IDEA OF SUPPORTING PENSION GUARANTEES IN THIS MANNER, INDICATING THAT CONSERVATIVE SOUTHERN CONGRESSMEN WOULD SUPPORT SUCH AN IDEA AND HELP CONGRESSIONAL PASSAGE OF APPROPRIATIONS FOR A ZDF.

3. MR. GRAHAM HAD IN HIS TALKING POINTS FOR GAYLORD, ET AL IN RHODESIA SOMETHING TO THE EFFECT THAT THE ZDF WOULD BE USED
CONFIDENTIAL

CONFIDENTIAL

PAGE 03 STATE 162319

TO APPLY SANCTIONS IN THE FORM OF DISCONTINUATION OF ASSISTANCE IF THE ZIMBABWE GOVERNMENT DID NOT HONOR ITS PENSION OBLIGATIONS. I SUGGESTED THAT THE POINT BE CHANGED TO READ THAT THE ZDF CAN BE USED TO HELP WITH FOREIGN EXCHANGE COSTS OF TRANSFERRING PENSIONS, ETC, AND WE (THE UK AND US) SHALL BE PROPOSING TO DONORS THAT IN SETTING LEVELS OF ECONOMIC ASSISTANCE, THE FUND TAKE ACCOUNT OF THE EFFORTS OF THE ZIMBABWE GOVERNMENT TO DISCHARGE ITS CONSTITUTIONAL AND OTHER OBLIGATIONS SUCH AS THOSE PERTAINING TO PENSIONS. GRAHAM ACCEPTED THESE CHANGES AND, INDEED, IN THE DISCUSSIONS WITH THE RHODESIANS ON PENSIONS, TOOK A VERY HARD LINE THAT THE RHODESIANS COULD NOT EXPECT THE KIND OF PENSION TERMS AND PENSION GUARANTEES THAT THE CIVIL SERVANTS AND OTHERS SEEM TO BE PRESSING VERY HARD TO GET. (DISCUSSION IN SALISBURY ON PENSIONS WILL BE REPORTED SEPTEL.)

4. THE PENSIONS ISSUE MAY ARISE AGAIN IN THE PROPOSED WASHINGTON CONSULTATIONS, JULY 23, BETWEEN DAVID OWEN AND SECRETARY VANCE. I BELIEVE THAT SECRETARY VANCE SHOULD BE AWARE OF THE DIFFICULTIES THAT WOULD ARISE IF THE ZIMBABWE DEVELOPMENT FUND MADE ITS SUPPORT VERY EXPLICITLY CONDITIONAL ON MEETING OF PENSION OBLIGATIONS BY AN INDEPENDENT ZIMBABWE GOVERNMENT. THE DIFFICULTIES, AS I SEE THEM, ARE THE FOLLOWING:

A. BASED ON REACTIONS FROM THE 18 POSSIBLE DONORS THAT WE APPROACHED IN DECEMBER, I DO NOT BELIEVE THERE IS MUCH CHANCE THAT THEY WOULD ACCEPT EXPLICIT CONDITIONALITY EITHER IN THE ARTICLES OF AGREEMENT OF THE ZDF OR AS A MATTER OF POLICY TO BE DECIDED BY THE DIRECTORS OR TRUSTEES OF THE ZDF. IT WOULD BE WRONG TO BUILD ANY FALSE HOPES AMONG WHITE RHODESIANS THAT EXPLICIT CONDITIONALITY F THIS SORT WOULD BE POSSIBLE.

B. WHILE IT MIGHT HELP GAIN SOUTHERN CONSERVATIVE SUPPORT IN CONGRESS, WE NEED TO BE CAREFUL NOT TO ALIENATE MANY MEMBERS OF THE BLACK CAUCUS AND LIBERAL CONGRESSMEN WHO WOULD NOT FAVOR EXPLICIT CONDITIONALITY.

CONFIDENTIAL

CONFIDENTIAL

PAGE 04 STATE 162319

C. EXPLICIT CONDITIONALITY WOULD BE RESENTED BY THE NATIONALISTS AND THEIR FRONTLINE SUPPORTERS AS UNACCEPTABLE STRINGS ATTACHED TO ZDF ASSISTANCE AND MIGHT TRIGGER A STRONG REJECTION OF THE WHOLE ZDF IDEA.

D. AS PRESIDENT MCNAMARA AND OTHER TOP WORLD BANK OFFICIALS HAVE INDICATED TO US, IT WOULD MAKE THE WORLD BANK VERY RELUCTANT TO BECOME INVOLVED IN THE FUND'S MANAGEMENT IF THE FUND WERE MADE EXPLICITLY TIED TO CONTROVERSIAL POLITICAL CONDITIONS.

5. THE LONG DOCUMENT BEING PREPARED BY THE BRITISH TO PRESENT EVENTUALLY AS PROPOSALS TO THE VARIOUS PARTIES WILL CONTAIN A SECTION ON THE ZDF AND ITS RELATION TO THE OTHER PROPOSALS IN THE DOCUMENT. CURRENTLY THE LANGUAGE SAYS THAT "THE ARRANGEMENTS SET OUT IN THIS DOCUMENT AS A WHOLE CONSTITUTE AN ESSENTIAL BASIS FOR THE ESTABLISHMENT AND CONTINUING OPERATION OF THE FUND". THIS KIND OF LANGUAGE AND THAT SET OUT IN PARAGRAPH 5, SUB-PARAGRAPH 3 OF REFTEL SEEM TO BE ACCEPTABLE BECAUSE OF THEIR GENERAL NATURE. BUT I BELIEVE THAT KIND OF LANGUAGE IS ABOUT AS FAR AS WE COULD GO, PARTICULARLY WITH REFERENCE TO ANYTHING THAT MIGHT END UP IN A SET OF ARTICLES OF AGREEMENT ESTABLISHING THE FUND.

6. THE BRITISH SEEM TO BE QUITE ANXIOUS TO GO TO THE DONORS AGAIN TO FIRM UP COMMITMENTS TO THE ZIMBABWE DEVELOPMENT FUND. BOTH STEVE LOW AND I FEEL STRONGLY THAT WE SHOULD TAKE A CAUTIOUS ATTITUDE ABOUT ANOTHER APPROACH TO DONORS. AN APPROACH WOULD BE COUNTERPRODUCTIVE UNLESS WE CAN OFFER TO DONORS A REASONABLE PROSPECT THAT A NEGOTIATED SETTLEMENT IS CLOSE AND WE CAN GIVE TO DONORS SOME IDEA AS TO WHAT THAT SETTLEMENT MIGHT LOOK LIKE. OUR INABILITY TO MAKE THESE POINTS TO POTENTIAL DONORS WOULD ELICIT A NON-COMMITTAL RESPONSE FROM THEM AND INJURE RATHER THAN ENHANCE CONFIDENCE AMONG THE RHODESIANS THAT INTERNATIONAL
CONFIDENTIAL

CONFIDENTIAL

PAGE 05 STATE 162319

FINANCIAL SUPPORT FOR A SETTLEMENT WOULD BE FORTHCOMING.

7. I PLAN TO RETURN TO WASHINGTON SOMETIME OVER THE WEEKEND
OF JULY 16-17 AND LOOK FORWARD TO FURTHER DISCUSSIONS.
BOWDLER

UNQUOTE VANCE

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: Z
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: POLITICAL SETTLEMENT, GOVERNMENT REFORM, POLICIES, COMPENSATION, NEGOTIATIONS
Control Number: n/a
Copy: SINGLE
Sent Date: 12-Jul-1977 12:00:00 am
Decaption Date: 22 May 2009
Decaption Note: 25 YEAR REVIEW
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977STATE162319
Document Source: CORE
Document Unique ID: 00
Drafter: UNA:BJSHARP
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D770248-0674
Format: TEL
From: STATE
Handling Restrictions:
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770765/aaaacemm.tel
Line Count: 182
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 6ff4e66c-c288-dd11-92da-001cc4696bcc
Office: ORIGIN SS
Original Classification: CONFIDENTIAL
Original Handling Restrictions: EXDIS
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: EXDIS
Reference: 77 LONDON 11075
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 10-Feb-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1884622
Secure: OPEN
Status: NATIVE
Subject: THE ZIMBABWE DEVELOPMENT FUND AND THE RHODESIA NEGOTIATIONS
TAGS: PINT, PDEV, RH, US, UK
To: GENEVA
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/6ff4e66c-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009